

FISCAL MEMORANDUM
HB 472 - SB 570

May 29, 2007

SUMMARY OF AMENDMENT (009454): Deletes all language of the original bill. Authorizes the Director of Schools serving schools placed on probation to take certain corrective actions. Requires each school and LEA to include additional BEP information in their annual school improvement plans. Requires the Department of Education to collect and monitor system and school improvement plans and the Office of Education Accountability to review a sample of such plans and to report the results to the Education Committees. Authorizes bonuses to principals if performance standards are met. Gives the principal authority over the school budget. Requires LEAs to develop a differential pay plan for teachers teaching in certain schools and teaching in certain subject areas. Authorizes principals to make certain administrative staffing decisions. Requires the State Board of Education to develop a report card on the effectiveness of teacher training programs in higher education institutions. Increases from twice every ten years to once every two years the number of times a teacher is evaluated.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenues - \$11,822,000/General Fund
\$26,514,000/Education Fund
\$ 1,870,000/Earmarked to Local Govt.
\$ 150,000/Department of Revenue
\$ 374,000/Sinking Fund

Decrease Local Govt. Revenues - \$1,870,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$77,000 Recurring/SBE
\$20,000 One-Time/SBE**

**Increase Local Govt. Expenditures –
Exceeds \$50,000,000 Recurring**

Other Fiscal Impact - Funding for this bill as amended is included in the Governor's Budget and in the Administration Amendment to the appropriations bill.

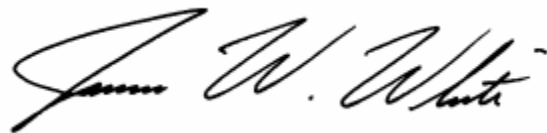
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Assumptions applied to amendment:

- Estimated recurring cost to the State Board of Education for one additional staff position dedicated to the creation and monitoring of a report card and assessment of teacher training programs at higher education institutions of \$72,000 for salary and benefits. There would be an additional one-time cost of \$8,000 to hold four meetings and \$12,000 for printing, publications and handouts.
- There will be no significant increase in expenditures for the Department of Education to implement this bill as amended.
- Local school systems will incur significant increased expenditures to implement accountability measures and other changes required to improve school performance. The amount of this cost will vary from system to system and will depend on specific changes made in each school system. This cost will be subsumed within the BEP reform package and is estimated to exceed \$50,000,000 recurring statewide. Funds to cover these costs are included in the total BEP reform package funding of \$290,100,000 recurring and \$5,385,000 one-time included in the Governor's Budget for FY07-08 and the Administration Amendment to the appropriations bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a long horizontal stroke at the end.

James W. White, Executive Director

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